

Janice K. Brewer Governor

EXECUTIVE OFFICE

April 26, 2011

The Honorable Russell Pearce The Honorable Kirk Adams Arizona State Legislature 1700 West Washington Street Phoenix, Arizona 85007

Dear President Pearce and Speaker Adams:

Today I signed Senate Bill 1525 (development fees; cities; towns), legislation that makes substantial changes to the system that establishes the program for homebuilders to compensate cities and towns for infrastructure that serves new development.

This year, members of my staff as well as representatives from each of your offices, have participated in negotiations between the League of Cities and Towns and representatives of residential and commercial builders. Both sides approached the discussion in good faith and have finally agreed on the compromise language that is contained in the final version of SB 1525.

I am grateful that the parties were able to meet in the middle on this matter, but even more grateful that both sides have agreed to a moratorium on additional legislation on this topic until at least the 2015 legislative session. Unless both sides agree that minor changes need to be made in the impact fee statutes, this is the last piece of legislation I intend to sign regarding that matter.

All stakeholders in this process need to have some time to allow this new system to be fully implemented, to give it time to work, and to evaluate it in terms of fairness to both sides. The time has come to put an end to the annual exercise of charges and counter-charges regarding impact fees. Both sides need to continue to work together for the benefit of our citizens and in the interest of reinvigorating our state economy.

I want to express my thanks to all the many people who had a hand in coming together on this bill, and to thank both of you for your leadership in this matter.

Janice K. Brewer

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Governor

cc: The Honorable Ken Bennett Arizona News Service